GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA

UNSTARRED QUESTION NO:1232
ANSWERED ON:25.02.2003
CREDIT ASSISTANCE BY NATIONALISED BANKS FOR SELF EMPLOYMENT
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Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) whether the Nationalised Banks are not providing credit assistance for self-employment programmes in the rural areas;

(b) if so, the details thereof and the reasons therefor;

(c) whether the Government have received complaints from the State Governments in this regard;

(d) if so, the details thereof, State-wise;

(e) whether this issue and problems of rural employment schemes were discussed in the recently held meeting of State Ministers of rural development; and

(f) if so, the steps taken or being taken by the Government to sort out the problems?

Answer

MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT (SHRI U. V. KRISHNAM RAJU)

(a) to (e) With a view to ensuring timely and adequate loaning by the Banks, the Guidelines ofthe rural self-employment scheme like Swarnjayanti Gram Swarozgar Yojana (SGSY) providefor close involvement of the Banks in the identification of key activities, the nurturing of Self- Help Groups (SHGs) and in the selection of Swarozgaris. However, some Nationalised Banksare stated to be delaying in sanction/disbursement of loans and not co-operating with their co- implementing field level agencies for successful implementation of the SGSY. The Governmentof India has received complaints in writing from only one State Government; viz. Rajasthan. The State Government of Rajasthan has informed that some banks like Bank of Rajasthan are notsanctioning and disbursing loans under SGSY. The State has also intimated to the Ministry thatmost of the Lead Banks in the State are not participating in Block and District Level Co- ordination Committees set up for the implementation of the SGSY in the State of Rajasthan. However, this issue has been raised by most State Governments during the meeting of the Central Level Co-ordination Committee (CLCC) constituted under SGSY and in the National Conference of the State Ministers of Rural Development, Panchayati Raj and Public Works held on 27th and 28th January 2003 in New Delhi. A statement showing State-wise credit disbursed by Nationalised Banks vis-Ã -vis total credit mobilization target during 2002-2003 upto December, 2002 is at Annexure-I.

(f) The Ministry has written to the RBI and Ministry of Finance, Banking Division to sortout the Bank related problems for successful implementation of the rural self-employment programme like SGSY. A Secretary level meeting has also been held between the Ministry of Finance, Banking Division and Ministry of Rural Development, Department of RuralDevelopment on 21. 02.2003 in presence of representatives of Reserve Bank of India (RBI) andNational Bank for Agriculture and Rural Development (NABARD) where, a series of credit related issues were discussed in order to arrive at possible solutions for removing various difficulties experienced with the financial institutions for ensuring effective implementation of the SGSY.

Annexure-I

Credit disbursed by Nationalised Banks during 2002-2003 upto December, 2002

(Rs. in lakhs)

Sl. No.	State/Uts	Total Credit Target	Credit Disbursed by Nationalised Banks	% Credit Disbursed
1	2	3	4	5
1	Andhra Pradesh	8112.51	3029.07	37.34
2	Arunachal Pradesh	680.22	19.07	2.80
3	Assam	9244.94	552.23	5.97
4	Bihar	37040.00	5269.30	14.23
5	Chattisgarh	6542.33	1084.69	16.58
6	Goa	230.35	56.34	24.46
7	Gujarat	4544.28	972.27	21.40
8	Haryana	3537.27	686.93	19.42

9 Himachal Pradesh	2244.90	518.413	23.09
10 Jammu & Kashmir	3113.25NR		0.00
11 Jharkhand	12896.49NR		0.00
12 Karnataka	12521.30	2044.40	16.33
13 Kerala	6500.00	830.91	12.78
14 Madhya Pradesh	12300.00	3508.24	28.52
15 Maharashtra	19739.86	2641.62	13.38
16 Manipur	531.36NR		0.00
17 Meghalaya	1254.92	32.31	2.57
18 Mizoram	184.41	0.00	0.00
19 Nagaland	642.83	32.16	5.00
20 Orissa	11121.59	1730.17	15.56
21 Punjab	1539.49	561.60	36.48
22 Rajasthan	8207.50	2034.10	24.78
23 Sikkim	237.08	102.49	43.23
24 Tamil Nadu	7332.16	1057.83	14.43
25 Tripura	1462.07	758.70	51.89
26 Uttar Pradesh	56500.15	2924.75	5.18
27 Uttaranchal	3436.29	397.29	11.56
28 West Bengal	20000.00	1135.06	5.68
29 A&N Islands	181.76		0.00
31 Daman & Diu	206.30NR		0.00
30 D & N Haveli	90.00NR		0.00
32 Lakshadweep	170.42		0.00
33 Pondicherry	175.37	35.21	20.08
TOTAL	252521.40	32015.15	12.68

NR - Not Reported